

EFFECTIVE DATE: January 4, 1982

REVISION DATES: _____

SUBJECT: BUDGET ADJUSTMENTS

1. Purpose

- To establish standard procedures and guidelines to cover the initiation, evaluation, and processing of requests for adjustment to budget appropriations.

2. Responsibilities

- a. Department Heads should anticipate the need for budget adjustments and INITIATE THE ADJUSTMENT PROCEDURES PRIOR TO TAKING ANY ACTION THAT MIGHT CAUSE BUDGET OVERRUNS.
- b. Department Heads are responsible for the review and approval of all budget adjustment requests originating within their department.
- c. The Budget and Research Department will evaluate all budget adjustment requests. No budget adjustment will be recorded without Budget and Research approval.
- d. The city's Controller is responsible for all accounting and other financial record keeping procedures necessary to implement and record approved budget adjustments.

3. Definitions

- a. There are two types of budget adjustment:
 - 1.) "Allotment Change" - a transfer of budgeted funds from one object code to another object code within the same section.
 - 2.) "Transfer within Department" - a transfer of budgeted funds from one section or division to another section or division within the same department.
- b.) Those changes to budget appropriations requiring City Council approval fall outside the scope of this Directive. Examples include: inter-departmental transfers, supplemental appropriations, and reprogramming of grant funds.
- c.) Capital outlay includes the cost of land, buildings, permanent improvements, machinery, large tools, and rolling and stationary equipment, and costs incidental to the acquisition or placing in use of same are chargeable to this category of expenditure.

EFFECTIVE DATE: January 4, 1982

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SUBJECT: BUDGET ADJUSTMENTS - PAGE 2

4. Required Budget Adjustments

Departments are required to submit budget adjustment requests under each of the following circumstances:

- a. If an increase in a capital outlay line item is required for the purchase of unbudgeted equipment.
- b. If an increase in a travel expense line item is required for the payment of unbudgeted travel expenses.
- c. To provide funds sufficient to cover the cost of any expenditure submitted to the City Council for approval.
- d. To correct an anticipated character level budget overrun of 10% or more.

5. Other Budget Adjustments

There may be circumstances other than those outlined above where a budget adjustment may be necessary. Departments are expected to work closely with their assigned Budget Analyst in determining the need for such adjustments.

6. Prohibitions

Certain budget line items are highly sensitive to fluctuating prices or, for other reasons, need to be safeguarded. Therefore, under normal circumstances, no funds may be transferred out of the following line items:

- 1.) Any Personal Service Account
- 2.) Automatic Data Processing
- 3.) Gas and Electricity
- 4.) Motor Fuel and Lubricants
- 5.) Rent of City Rolling Equipment

7. Procedure

- a. Budget adjustment requests will be submitted on Form 76-19 "Request for Budget Adjustment".

EFFECTIVE DATE: January 4, 1982

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SUBJECT: BUDGET ADJUSTMENTS - PAGE 3

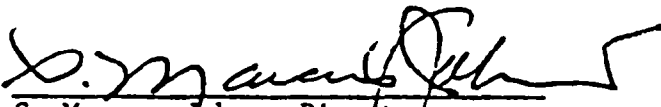
- b. The FB-19 is to be executed in quadruplicate. Special attention must be given to the completion of the justification section of the request form. In order to properly justify the budget adjustment, the explanation should, as a minimum, include the following:
 - 1.) A detailed statement explaining the need for the adjustment.
 - 2.) A statement of how the funds proposed for transfer became available.
 - 3.) For grant-funded activities, attach a letter indicating grantor approval.
- c. The responsible Department Head will review and approve the adjustment request. The green copy of the FB-19 should be retained by the department, and the remaining three signed copies forwarded to the Budget and Research Department.
- d. The Budget and Research Department will review and evaluate all requests for budget adjustment. The Budget and Research Department has the authority to reject incomplete, unjustified, or unnecessary budget adjustments. The review will include:
 - 1.) An examination of the form for completeness of information and the adequacy of the justification submitted.
 - 2.) The need and/or desirability of the action necessitating the budget adjustment.
 - 3.) The financial and budgetary feasibility of the request.
- e. Disapproved requests will be returned to the initiating departments. Approved requests will be assigned a reference number and all three copies forwarded to the Finance Department's Division of Accounts.
- f. The Finance Department will re-review the request to insure the availability of funds within the indicated budget line items. If the unexpended balance in the indicated line item to be transferred is insufficient to cover the amount of the adjustment, the FB-19 will be returned to the Budget and Research Department with an explanation. Requests approved as to funds will be forwarded to the City Manager's Office for final approval.


EFFECTIVE DATE: January 4, 1982

REVISION DATES: _____

SUBJECT: BUDGET ADJUSTMENTS - PAGE 4

- g. The City Manager has final approval authority over all budget adjustment requests. Approved requests will be returned to the Division of Accounts.
- h. The city's Controller will record the approved adjustment and make the necessary budget changes. The following distribution of the approved FB-19 will be made:
 - 1.) Pink - Originating Department
 - 2.) Yellow - Budget and Research Department
 - 3.) White - Division of Accounts


S. Marcus Jahns, Director
Budget and Research Department


Thomas E. Huebner
City Manager